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Published by Authority of the Hon. James A. Macdonnell, M.P.
Minister of Trade and Commerce

CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

NATIONAL INCOME UNIT

NATIONAL ACCOUNTS

INCOME AND EXPENDITURE

1936 - 1945



OTTAWA
1947



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National Accounts, Income and Expenditure, 1938-1946.

Dominion Statistician:

Herbert Marshall

Chief, Central Research and Development Staff:

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Chief, National Income Unit:

A. S. Abell

Gross national product and gross national expenditure in 1946 were at a level of \$11,129 million in comparison with \$11,478 million in 1945. The 1946 estimates are preliminary as are the 1945 estimates but the latter have been revised since their first publication. The moderate decline in the money totals is larger in real terms as is indicated by the rise of 4.8 per cent in the index of wholesale prices and 3.4 per cent in the cost of living index from 1945 to 1946.

Net national income in 1946 was \$9,212 million as compared with \$9,587 million in 1945. Civilian salaries and wages increased by \$247 million while military pay and allowances decreased by \$817 million. The main components of investment income were maintained at their 1945 levels. The decline of \$140 million in total investment income is accounted for by two items, a decline in government trading profits and an increase in dividends paid abroad. Agriculture and other individual enterprise showed proportionate gains.

While the national income declined in 1946 personal income increased by \$358 million. This is largely due to the increase in transfer payments by government to individuals. The large increase in transfer payments includes the increase in family allowances and the large scale payment to veterans in 1946 of war service gratuities, re-establishment credits and pensions.

Components of gross national expenditure reflect a significant diminution of government expenditures offset in large part by increases of consumer expenditure and investment in plant, equipment and inventory. Receipts from abroad were maintained at a high level because of the continuing foreign demands for commodity exports backed up by Canadian government loans.

This bulletin continues the series which were presented and described in "National Accounts, Income and Expenditure, 1938-1945". The presentation of gross national expenditure has been changed in two respects. In the first place, foreign investment by governments has been excluded from government expenditure on goods and services and the balance of foreign investment which was formerly carried under "net private investment abroad" has been eliminated from the table. This has made it possible to include the effect of international transactions by adding current receipts from abroad (exclusive of Mutual Aid, Military Relief and UNRRA) and deducting current expenditures abroad. The other change in presentation results from shifting the Wheat Board inventory from government non-war expenditure to gross investment at home.

The estimates will be subject to revision when fuller information becomes available.

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TABLE 1

NET NATIONAL INCOME AT FACTOR COST AND GROSS NATIONAL PRODUCT AT MARKET PRICES, 1938-1946

(Millions of Dollars)

Item No.		1938	1939	1940	1941	1942	1943	1944	Revised	
									Prelim. 1945	Prelim. 1946
1.	Salaries, wages and supplementary labour income	2,449	2,540	2,860	3,529	4,233	4,790	4,969	4,865	5,112
2.	Military pay and allowances	9	32	193	386	641	910	1,068	1,132	315
3.	Investment income	692	782	1,110	1,518	1,765	1,809	1,785	1,916	1,776
4.	Net income of individual enterprise, agriculture and other	790	867	949	1,081	1,638	1,560	1,863	1,674	2,009
5.	NET NATIONAL INCOME AT FACTOR COST (1) + (2) + (3) + (4)	3,940	4,221	5,112	6,514	8,277	9,069	9,685	9,587	9,212
6.	Indirect taxes less subsidies	646	743	843	1,062	1,092	1,125	1,125	1,006	1,237
7.	Depreciation allowances and similar business costs	504	528	581	684	771	819	771	711	756
8.	Residual error of estimate for reconciliation with Table 11, Item 7 .	- 15	+ 3	+ 92	+ 75	+ 156	+ 111	+ 190	+ 174	- 76
9.	GROSS NATIONAL PRODUCT AT MARKET PRICES (5) + (6) + (7) + (8)	5,075	5,495	6,628	8,335	10,296	11,124	11,771	11,478	11,129

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TABLE 11

GROSS NATIONAL EXPENDITURE AT MARKET PRICES, 1938-1946.

(Millions of Dollars)

Item No.	1938	1939	1940	1941	1942	1943	1944	Revised	
								Prelim. 1945	Prelim. 1946
1. Government expenditures -									
(a) War - goods and services, excluding Mutual Aid,	37	75	583	1,209	2,330	3,114	3,336	1,816	735
- Mutual Aid, etc.	-	-	-	-	1,002	516	961	1,041	200
(b) Non-war	682	703	661	665	683	697	764	850	1,000
2. Gross investment at home -									
(a) Plant and equipment	505	490	667	842	689	571	657	823	1,100
(b) Inventories - Wheat Board	88	94	5	-39	35	110	-7	-212	-33
- Other	-55	215	337	280	104	-267	-37	-166	308
3. Personal expenditure on consumers' goods and services	3,700	3,799	4,293	4,956	5,511	5,896	6,268	6,824	7,383
x4. Add current receipts from abroad for goods and services, excluding Mutual Aid, etc.	1,363	1,452	1,802	2,464	2,373	3,456	3,558	3,590	3,225
5. Deduct current expenditures abroad for goods and services	-1,261	-1,331	-1,627	-1,967	-2,275	-2,858	-3,539	-2,914	-2,865
6. Residual error of estimate for recon- ciliation with Table 1, Item 9	+16	-2	-93	-75	-156	-111	-190	-174	+76
7. GROSS NATIONAL EXPENDITURE AT MARKET PRICES (1) + (2) + (3) + (4) + (5) + (6)	5,075	5,495	6,628	8,335	10,296	11,124	11,771	11,478	11,129

x In addition to the exclusion of Mutual Aid minor adjustments have been made in the figures of Current Receipts shown in "The Canadian Balance of International Payments, 1926-1945", Dominion Bureau of Statistics, Page 47.

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TABLE 111

PERSONAL INCOME

(Millions of Dollars)

Item No.	1938	1939	1940	1941	1942	1943	1944	Revised	
								Prelim. 1945	Prelim. 1946
1. Net national income at factor cost	3,940	4,221	5,112	6,514	8,277	9,069	9,685	9,587	9,212
2. Add: Transfer payments	346	347	342	327	357	396	501	849	1,469
3. Less: Employer and employee contributions to social security and industrial pension funds	48	53	59	96	144	185	173	179	198
4. Less: Components of investment income not paid out to individuals	265	344	641	1,033	1,235	1,303	1,289	1,443	1,311
5. PERSONAL INCOME									
(1) + (2) - (3) - (4)	3,973	4,171	4,754	5,712	7,255	7,977	8,724	8,814	9,172

